

Program A: Office of Group Benefits

Program Authorization: R.S. 42:12 - 821,851,871-879

Program Description

The mission of the Office Group Benefits Program is to provide cost-effective, high-quality health, life and flexible benefit plans, distinguished by efficient and effective customer service. The goal of the State Group Benefits Program is to develop and explore a multitude of benefit options that will appeal to a diverse workforce. These options will include multi-priced plans, indemnity and managed care options as well as adding certain core dental and vision options to these plans.

The State Group Benefits Program provides the opportunity for eligible individuals to obtain group accident and health benefits and group life insurance geared to the needs of the plan members. The Office of Group Benefits administers this program and provides direction in developing cost containment features in order that an affordable group insurance program may be available to its plan members.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	712,272,129	823,615,546	823,615,546	825,559,836	834,744,911	11,129,365
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$712,272,129	\$823,615,546	\$823,615,546	\$825,559,836	\$834,744,911	\$11,129,365
EXPENDITURES & REQUEST:						
Salaries	\$11,106,973	\$11,611,028	\$11,533,715	\$11,879,621	\$11,494,436	(\$39,279)
Other Compensation	1,051,466	466,758	466,758	466,758	466,758	0
Related Benefits	2,605,953	3,145,862	3,131,734	3,778,214	3,303,999	172,265
Total Operating Expenses	10,389,831	5,372,734	5,372,734	5,623,271	10,096,997	4,724,263
Professional Services	3,934,815	4,040,848	4,040,848	4,040,848	10,040,848	6,000,000
Total Other Charges	680,560,492	797,224,350	797,224,350	797,231,468	796,802,217	(422,133)
Total Acq. & Major Repairs	2,622,599	1,753,966	1,753,966	2,539,656	2,539,656	785,690
TOTAL EXPENDITURES AND REQUEST	\$712,272,129	\$823,615,546	\$823,524,105	\$825,559,836	\$834,744,911	\$11,220,806
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	351	351	349	349	330	(19)
Unclassified	4	4	4	4	4	0
TOTAL	355	355	353	353	334	(19)

SOURCE OF FUNDING

This program is funded with Interagency Transfers from state agencies who participate in the Group Insurance program and from Self Generated Revenues including premiums collected from plan members and employees, as well as earnings of program funds.

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$823,615,546	355	ACT 13 FISCAL YEAR 2002-2003
			BA-7 TRANSACTIONS:
\$0	\$823,615,546	355	EXISTING OPERATING BUDGET - December 2, 2002
\$0	\$105,702	0	Annualization of FY 2002-2003 Classified State Employees Merit Increase
\$0	\$209,223	0	Classified State Employees Merit Increases for FY 2003-2004
\$0	(\$12,721)	0	Risk Management Adjustment
\$0	\$2,539,656	0	Acquisitions & Major Repairs
\$0	(\$1,753,966)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$738	0	Legislative Auditor Fees
\$0	\$19,101	0	UPS Fees
\$0	\$474,384	0	Salary Base Adjustment
\$0	(\$285,534)	0	Attrition Adjustment
\$0	(\$738,270)	(19)	Personnel Reductions
\$0	(\$429,047)	0	Salary Funding from Other Line Items
\$0	\$271,724	0	Group Insurance Adjustment
\$0	(\$204)	0	Civil Service Fees
\$0	\$88,000	0	Workload Adjustment - HIPPA training
\$0	\$6,000,000	0	Other Adjustments - Disease management program
\$0	\$157,010	0	Other Adjustments - Supply costs
\$0	\$4,483,569	0	Other Adjustments - Increased claims payments
\$0	\$834,744,911	336	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$834,744,911	336	BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$834,744,911	336	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

\$6,000,000	Consulting Contract - Disease Management Contract
\$100,000	Accounting and Auditing contracts
\$437,200	Management and Consulting contracts
\$350,000	Legal contracts
\$149,000	Medical and Dental contracts
\$3,004,648	Other professional services contracts (Including HIPPA consulting, fraud and abuse detection, and evaluation services of medical claims.
\$10,040,848	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

(\$429,047)	Reduction from other charges to fully fund salaries
\$427,661,513	Health claims payments
\$25,000,000	Best Care/Fara
\$45,000,000	Blue Cross/Blue Shield
\$29,000,000	Life Payments/Dependent Life
\$120,000,000	Advance PCS Paid Prescriptions
\$138,000,000	HMO-Ochsner Health Plan
\$3,700,000	HMO-Vantage Health Plan
\$1,000	Hospital audit fees
\$101,000	Legal fees - settlements
\$300,000	Cafeteria plan
\$350,420	Training costs
\$7,000,000	Mental & nervous disorder claim payments

\$795,684,886 SUB-TOTAL OTHER CHARGES**Interagency Transfers:**

(\$12,721)	Risk Management Adjustment
\$19,101	UPS Fees
(\$204)	Civil Service Fees
\$751,622	OTM Fees
\$144,000	OIS Fees
\$147,257	Legislative Auditors Fees
\$68,276	State Printing

\$1,117,331 SUB-TOTAL INTERAGENCY TRANSFERS**\$796,802,217 TOTAL OTHER CHARGES**

ACQUISITIONS AND MAJOR REPAIRS

\$92,000	Acquisitions of automobiles for travel (replacement)
\$1,166,656	Acquisitions and replacement of office equipment
\$1,281,000	Hardware and Software purchases
\$2,539,656	TOTAL ACQUISITIONS AND MAJOR REPAIRS